

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**

**Managed by the Ravenswood Community Council**  
(a taxing district authorized by the City of Chicago)

**FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
**Managed by the Ravenswood Community Council**  
**(a taxing district authorized by the City of Chicago)**

**FINANCIAL STATEMENTS**  
**December 31, 2011 and 2010**

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March 20, 2012

To the Commissioners of  
Special Service Area #31  
Chicago, Illinois

Independent Auditor's Report

We have audited the accompanying Statements of Assets, Liabilities and Net Assets of Greater Ravenswood Special Service Area #31 (a taxing district authorized by the City of Chicago) as of December 31, 2011 and 2010 and the related Statements of Revenues, Expenditures and Changes in Net Assets – Budget vs. Actual, Statements of Cash Flows and Summary Schedule of Audit Findings for the years then ended. These financial statements are the responsibility of Greater Ravenswood Special Service Area #31 management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provided a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of Greater Ravenswood Special Service Area #31 as of December 31, 2011 and 2010, and its revenues, expenditures, changes in net assets, cash flows and summary schedule of audit findings for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The 2011 and 2010 budget amounts, which were determined by the Greater Ravenswood Special Service Area #31 and are shown in the Statement of Revenue, Expenditures and Changes in Net Assets, are presented for comparison purposes only. We have not performed any auditing procedures on the budget amounts and therefore, express no opinion on them.



**EILTS & ASSOCIATES, INC.**

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**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
(a taxing district authorized by the City of Chicago)

**STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS**  
December 31, 2011 and 2010

		ASSETS	
		<u>2011</u>	<u>2010</u>
<b>CURRENT ASSETS</b>			
Cash		\$ 221,700	\$ 155,469
Net current assets		<u>221,700</u>	<u>155,469</u>
<b>TOTAL ASSETS</b>		<u><u>\$ 221,700</u></u>	<u><u>\$ 155,469</u></u>
 <b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accrued expenses		\$ 1,140	\$ -
Total current liabilities		<u>1,140</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		1,140	-
<b>NET ASSETS</b>			
Unrestricted net assets		<u>220,560</u>	<u>155,469</u>
Total net assets		<u>220,560</u>	<u>155,469</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>		<u><u>\$ 221,700</u></u>	<u><u>\$ 155,469</u></u>

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**

**STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN  
NET ASSETS - BUDGET V. ACTUAL**

**For the Years Ended December 31, 2011 and 2010**

	2011			2010		
	Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
<b>REVENUE</b>						
Tax Levy (net of refunds)	\$ 368,035	\$ 347,478	\$ (20,557)	\$ 353,480	\$ 318,212	\$ (35,268)
Loss Collection	(31,000)	(5,958)	25,042	(31,000)	(64,542)	(33,542)
Interest income	-	956	956	-	711	711
Total support and revenue	337,035	342,476	5,441	322,480	254,381	(68,099)
<b>EXPENDITURES</b>						
1.00 Advertising and Promotions						
1.01 Display Ads	2,000	-	(2,000)	2,000	200	(1,800)
1.03 Print Materials	1,000	-	(1,000)	1,000	-	(1,000)
1.05 Special Events	10,000	2,858	(7,142)	5,000	2,041	(2,959)
1.06 Website/Technology	600	-	(600)	600	-	(600)
1.07 Service Provider Direct Services	5,500	4,300	(1,200)	5,500	5,500	-
Total Advertising and Promotions	19,100	7,158	(11,942)	14,100	7,741	(6,359)
2.00 Public Way Maintenance						
2.05 Sidewalk Cleaning	45,000	46,923	1,923	45,000	47,756	2,756
2.06 Sidewalk Powerwashing	15,000	13,085	(1,915)	12,000	-	(12,000)
2.07 Sidewalk Snow Plowing	73,000	80,351	7,351	75,000	60,300	(14,700)
2.12 Vermin Abatement Program	2,000	-	(2,000)	2,000	-	(2,000)
2.14 Service Provider Direct Services	13,700	13,700	-	13,700	11,640	(2,060)
Total Public Way Maintenance	148,700	154,059	5,359	147,700	119,696	(28,004)
3.00 Public Way Aesthetics						
3.01 Decorative Banner Purch/Install/Maint	-	-	-	24,000	1,100	(22,900)
3.02 Holiday Decorations	24,000	16,790	(7,210)	-	17,745	17,745
3.03 Landscaping	58,000	57,252	(748)	50,000	54,060	4,060
3.05 Streetscape Elements	16,000	4,120	(11,880)	6,000	-	(6,000)
3.07 Service Provider Direct Services	8,660	8,660	-	8,250	7,650	(600)
3.08 Other: Underpass painting project	-	-	-	18,000	18,000	-
Total Public Way Aesthetics	106,660	86,822	(19,838)	106,250	98,555	(7,695)
4.00 Tenant Retention/Attraction						
4.01 Property Owner/Broker/Tenant relations	1,000	-	(1,000)	1,000	-	(1,000)
4.06 Service Provider Direct Services	1,500	-	(1,500)	1,500	200	(1,300)
Total Tenant Retention/Attraction	2,500	-	(2,500)	2,500	200	(2,300)
5.00 Facade Improvements						
5.04 Service Provider Direct Services	6,000	5,100	(900)	6,000	3,050	(2,950)
5.06 Glass Etching Removal & Prevention	22,000	2,281	(19,719)	12,000	497	(11,503)
Total Facade Improvements	28,000	7,381	(20,619)	18,000	3,547	(14,453)

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**

**STATEMENTS OF REVENUE, EXPENDITURES AND CHANGES IN  
NET ASSETS - BUDGET V. ACTUAL  
For the Years Ended December 31, 2011 and 2010**

	2011			2010		
	Budget	Actual	Actual Over (Under) Budget	Budget	Actual	Actual Over (Under) Budget
6.00 Parking/Transit/Accessibility						
6.01 Bicycle Advocacy	500	-	(500)	500	-	(500)
6.02 On-Street Parking Mgmt	2,000	-	(2,000)	2,000	-	(2,000)
6.13 Service Provider Direct Services	2,000	900	(1,100)	2,000	1,630	(370)
6.14 Other Public Transit Parking Enhance	2,000	-	(2,000)	2,000	-	(2,000)
Total Parking/Transit/Accessibility	<u>6,500</u>	<u>900</u>	<u>(5,600)</u>	<u>6,500</u>	<u>1,630</u>	<u>(4,870)</u>
7.00 Safety Programs						
7.01 Public Way Surveillance Cameras/Maint	-	-	-	-	-	-
7.02 Security Rebate Program	-	-	-	-	-	-
7.03 Panhandling Abatement Programs	1,000	-	(1,000)	2,000	-	(2,000)
7.09 Service Provider Direct Services	1,000	700	(300)	1,000	860	(140)
Total Safety Programs	<u>2,000</u>	<u>700</u>	<u>(1,300)</u>	<u>3,000</u>	<u>860</u>	<u>(2,140)</u>
8.00 District Planning						
8.02 District Branding, Identity Development	3,000	2,415	(585)	3,000	4,659	1,659
8.03 District Market Study, Impact Analysis	1,000	-	(1,000)	1,000	-	(1,000)
8.05 Parking Studies	1,000	-	(1,000)	1,000	-	(1,000)
8.07 Service Provider Direct Services	4,000	2,400	(1,600)	4,000	3,150	(850)
Total District Planning	<u>9,000</u>	<u>4,815</u>	<u>(4,185)</u>	<u>9,000</u>	<u>7,809</u>	<u>(1,191)</u>
10.00 Operational & Administrative Support						
10.01 Audit	2,500	2,500	-	2,500	2,325	(175)
10.02 Bookkeeping	-	-	-	-	-	-
10.03 Meeting	200	120	(80)	200	185	(15)
10.04 Office Equipment Lease/Maint	300	300	-	300	325	25
10.05 Office Rent	2,600	3,433	833	3,500	2,636	(864)
10.06 Office Supplies	375	375	-	500	560	60
10.07 Office Utilities/Telephone	600	660	60	600	660	60
10.08 Postage	100	90	(10)	100	90	(10)
10.09 Office Printing	100	90	(10)	100	-	(100)
10.10 Service Provider Administrative Support	7,800	7,800	-	7,630	7,630	-
10.11 Other	-	182	182	-	411	411
Total Operational & Administrative Support	<u>14,575</u>	<u>15,550</u>	<u>975</u>	<u>15,430</u>	<u>14,822</u>	<u>(608)</u>
Total Program Expenses	<u>337,035</u>	<u>277,385</u>	<u>(59,650)</u>	<u>322,480</u>	<u>254,860</u>	<u>(67,620)</u>
INCREASE/(DECREASE) IN NET ASSETS	<u>\$ -</u>	<u>\$ 65,091</u>	<u>\$ 65,091</u>	<u>\$ -</u>	<u>\$ (479)</u>	<u>\$ (479)</u>
UNRESTRICTED NET ASSETS BEGINNING OF YEAR		<u>\$ 155,469</u>			<u>\$ 155,948</u>	
UNRESTRICTED NET ASSETS END OF YEAR		<u>\$ 220,560</u>			<u>\$ 155,469</u>	

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
(a taxing district authorized by the City of Chicago)

**STATEMENTS OF CASH FLOW**  
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash Flows from Operating Activities:		
Changes in Net Assets	\$ 65,091	\$ (479)
Adjustments to reconcile Net Surplus to Net cash provided by operating activities Increase/(Decrease) in:		
Accrued expenses	<u>1,140</u>	<u>-</u>
Net Cash Provided by Operating Activities	<u>66,231</u>	<u>(479)</u>
Net Increase in Cash	66,231	(479)
Cash at the beginning of year	<u>155,469</u>	<u>155,948</u>
Cash at the end of year	<u>\$ 221,700</u>	<u>\$ 155,469</u>

The accompanying notes are an integral part of the financial statements

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
(a taxing district authorized by the City of Chicago)

**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2011 and 2010**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Organization – Greater Ravenswood Special Service Area #31 was created by the City of Chicago to provide additional services to the Ravenswood community. The primary source of funds is from real estate taxes on certain property in the Special Service Area. Greater Ravenswood Special Service Area #31 generates revenue for the sole purpose of improving and enhancing the business districts of the Ravenswood neighborhood. The boundaries of which are generally properties fronting along Ravenswood south of Argyle and north of Belmont, east of Leavitt and west of Dover Street.

Activities and services funded include: cleaning and beautification activities, coordination of advertising and promotional events, attraction and recruitment of new quality businesses to the area, and technical assistance to existing and potential businesses.

Basis of Accounting - The financial statements have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. Based on the information provided by the Department of Planning and Development, the recognition of revenue by the SSA when received would be considered within generally accepted accounting principles. This allows Special Service Areas to prepare financial statements on the accrual basis of accounting.

Cash and Cash Equivalents - Cash and cash equivalents are held in the name of Greater Ravenswood Special Service Area #31 without physical segregation as to various restricted portions. All earnings on such are allocated to unrestricted revenue. For purposes of the statements of cash flows, the Organization considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
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**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2011 and 2010**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)**

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 - REAL ESTATE TAX REVENUE**

The Organization's principal source of revenue is from real estate taxes levied on certain property located in the boundaries listed in Note 1. The taxes are assessed and collected by Cook County, and paid to the City of Chicago, which then remits to the Organization. Taxes are levied in one year, but paid in two installments the following year by the property owners. The Organization recognizes this revenue in the year in which the funds become available and are received.

The total tax levy for 2010 and 2009 was \$285,835 and \$309,980 respectively, of which \$5,958 of the 2010 tax levy or 2% was not collected, and \$64,542 of the 2009 tax levy or 21% was not collected. It is anticipated that a portion of this will be received in future years. However, given the uncertainty of the amounts and the timing of the receipts of the revenues we have not accrued for this amount.

Tax refunds may be issued in future years against this levy and prior years levy's. For the years ending December 31, 2011 and 2010, the tax refunds returned to taxpayers totaled \$5,181 and \$2,870 respectively. The organization also received tax levy's from prior years in the year ending 2011 and 2010 of \$66,824 and \$11,102 respectively. Therefore if the organization were to accrue for net uncollected funds it would be closer to \$6,000 for the year ending December 31, 2011 and \$53,000 for the year ending December 31, 2010.

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**NOTES TO FINANCIAL STATEMENTS**  
**For the Years Ended December 31, 2011 and 2010**

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**NOTE 3 – CONCENTRATIONS OF CREDIT RISK ARISING FROM CASH DEPOSITS  
IN EXCESS OF INSURED LIMITS**

The Organization maintains its cash balances in one financial institution located in Chicago, Illinois. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. The Organization's cash balance did not exceed the insurance level at December 31, 2011.

**NOTE 4 – RELATED PARTY TRANSACTIONS**

The taxing district's contractor is Ravenswood Community Council. Ravenswood Community Council is paid a management fee and is also reimbursed for ongoing administration expenses such as rent, utilities, postage and etc. During 2011 and 2010, Greater Ravenswood SSA #31 paid Ravenswood Community Council \$48,628 and \$41,310 respectively for service provided support. As of December 31, 2011 and 2010, the taxing district had no balance due to Ravenswood Community Council.

**GREATER RAVENSWOOD SPECIAL SERVICE AREA #31**  
(a taxing district authorized by the City of Chicago)  
**SUMMARY SCHEDULE OF AUDIT FINDINGS**  
**For the Years Ended December 31, 2011 and 2010**

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As part of our audit, we have read and understand the requirements contained in the Service Provider Agreement. After conducting the audit, we determined that no exceptions were noted.

The auditor's report expresses an unqualified opinion on the financial statements of Greater Ravenswood Special Services Area #31. No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.

**FINDINGS – FINANCIAL STATEMENT AUDIT**

None found

**FINDINGS AND QUESTIONED COSTS**

None found